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ORIGINAL

AZ CORP COMMISSION
DOCUMENT CONTROL April 13, 2006

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Re: The Application of West End Water Company for an Extension of its Certificate of Convenience and Necessity (CC&N), **Docket No. W-01157A-05-0706**

Dear Madam/Sir:

This letter provides answers to the four questions emailed on March 30, 2006 by Ms. Blessing Chukwu to the City of Surprise (which applied to intervene in this above matter on March 28, 2006).

Question 1:

Please confirm whether or not the Requested Area (the NW ¼ of Section 25, Range 5 North, Township 3 West) is within the corporate city limits of the City of Surprise.

Response to Question 1:

The Requested Area, part of the Walden Ranch development, while not presently within the corporate city limits of the City of Surprise, is with the City of Surprise's General Planning Area ("GPA"). The City intends to move diligently in annexing land within its GPA and, pursuant to that strategy, anticipates that the Requested Area will be annexed.

Currently, the southern boundary of the Walden Ranch development is within 1 mile of the City of Surprise's corporate city limits. However, the City of Surprise expects to complete the annexation of two other nearby developments, Sunhaven Ranch and Asanti North, by July 2006, as well as certain State Trust lands by later this year. When these annexations are completed, the City of Surprise's corporate limits will be within ½ mile on the south and east of the Walden Ranch development.

Question 2:

Please provide the timetable or timeline for the City of Surprise's planned annexation area.

Response to Question 2:

As explained in the Response to Question 1, the City of Surprise intends to move diligently in annexing its entire GPA, which is broken down into six Special Planning Areas ("SPAs"). Attached hereto as Exhibit A is a map showing the SPAs. Pursuant to the Surprise General Plan 2020, ratified by public vote on March 13, 2001 and amended on December 22, 2005, as well as the Surprise Annexation Policy, dated June 13, 2002, the entire GPA is proposed to be annexed no later than 2020.

Today, there are annexation projects ongoing in all of the SPAs, as shown by the Tentative Annexation Map, prepared on March 24, 2006, attached hereto as Exhibit B. For example, it is expected that Annexation Areas B and H will be annexed within the next four months and Annexation Areas A, C, E, F, G, and J will be annexed shortly thereafter.

At this time, the City is conducting short term planning for annexation of Walden Ranch development, including researching whether to approach annexation from the south or east following the anticipated July 2006 annexations mentioned above in Response to Question 1. Devising a fixed annexation solution at this time for the Walden Ranch development is difficult because the surrounding area is highly fragmented, with multiple landowners.

Question 3:

In the planned annexation, is the City of Surprise planning to annex only the West End Water Company's requested extension area or will it include the surrounding area? Please explain in detail. Also, please provide a legal description of the area that will be annexed.

Response to Question 3:

The City of Surprise plans to annex the entire GPA. Both the Requested Area and the entire area that West End Water Company presently services are within this GPA. Please see Exhibit A for a map and description of the six SPAs within the GPA. The City of Surprise currently plans to annex the entire Walden Ranch development at one time. This annexation will not occur until sometime after July 2006, when the City's annexation of nearby areas is complete. At that time, the City will complete its study of the Walden Ranch development area and specifically determine what approach it will take to annex the entire development. Once an approach has been determined, the City of Surprise will then be able to estimate by what date the Walden Ranch development will be annexed.

Question 4:

Does the City of Surprise currently provide water and wastewater services outside its city limits? Please provide a map that depicts the City's water and wastewater service territory.

Response to Question 4:

Wastewater: The City of Surprise presently provides sewer services not only within its city limits, but also to lands outside the GPA. Further, the City of Surprise has already been designated as the sewer service provider for all future development within its entire GPA, as it identified and included all GPA lands within the City of Surprise's "Maricopa Association of Governments Section 208 Sewer Service Area." There are no competing sewer providers in the GPA, except for the pre-existing Arizona American (originally the Citizens Water Company) Sewer Service Area Franchise within SPA1.¹ Attached hereto as Exhibit C is a map depicting the sewer providers for the GPA.

Additionally, the Surprise City Counsel has agreed to enter into a Pre-Annexation Development Agreement with the proposed Broadstone Ranch development, located in SPA5 approximately one mile north of the Walden Ranch development. Under this agreement, the City of Surprise has agreed to provide water and sewer services to Broadstone Ranch development prior to the annexation of Broadstone Ranch development, and Broadstone Ranch development has agreed to work to expedite its annexation into the City of Surprise. This effort to provide water and sewer services outside the City limits, until annexation is possible, is expected to continue throughout the GPA.

Water: The City of Surprise presently provides water services only within its city limits. Attached hereto as Exhibit D is a map depicting the water providers for the GPA. However, as explained above, the City of Surprise has agreed to provide water and sewer services to Broadstone Ranch development prior to the annexation of Broadstone Ranch development.

If you have any questions regarding these responses, or if additional follow-up questions surface, please do not hesitate to contact me.

Sincerely,



Danielle D. Janitch

DDJ:jjm

Enclosures

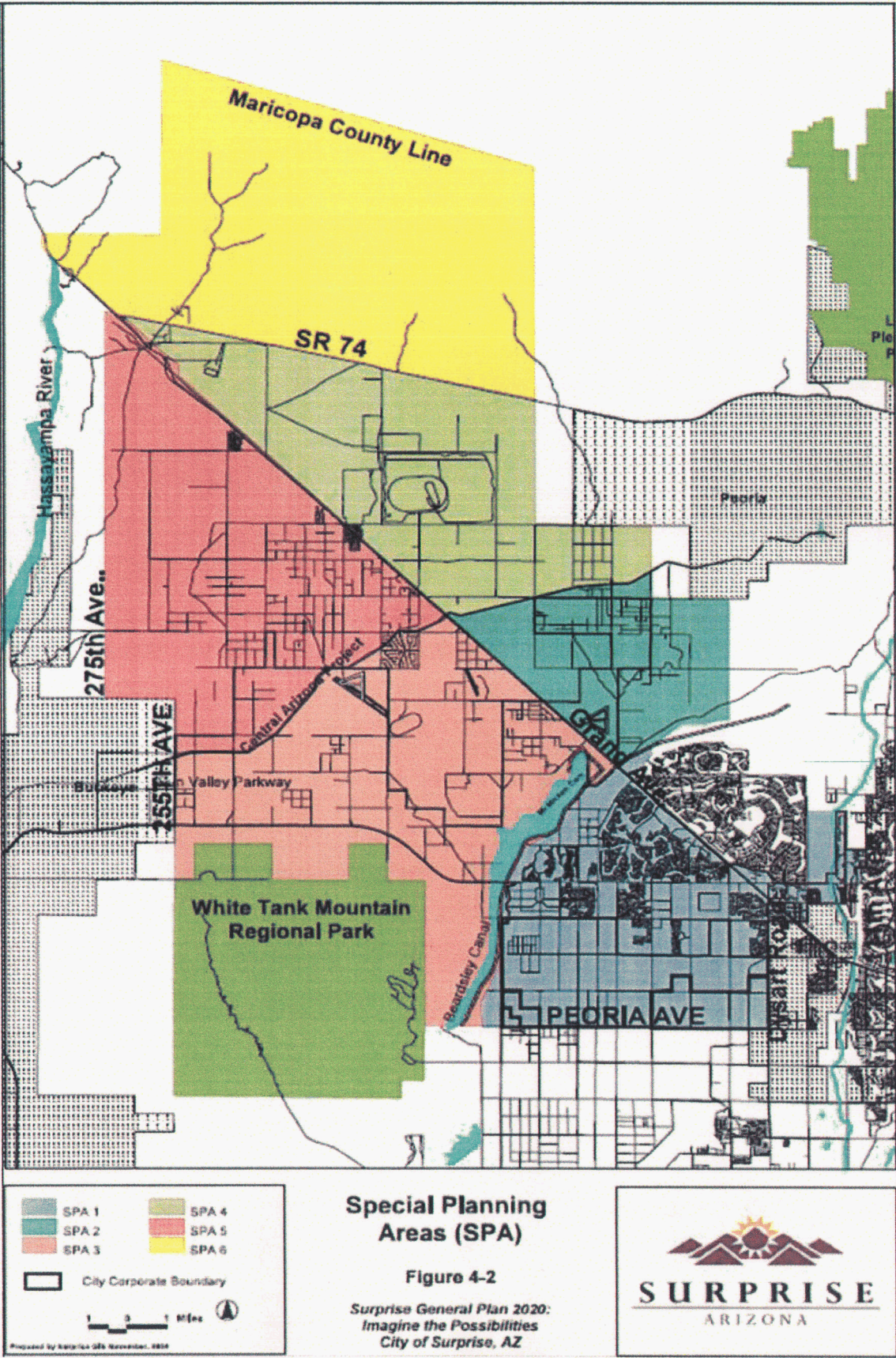
cc: Blessing Chukwu (w/enclosures, via electronic mail)
J. Scott Rhodes, Esq. (w/enclosures), Attorney for West-End Water Company

Original and 13 copies filed with
Docket Control this 13th day of April, 2006.

¹ Arizona American provides services to Sun City, a small strip of commercial property developed in conjunction with Sun City, and several small developments at the eastern City limits along Bell Road. Arizona American has no plans to expand its sewer service to add additional customers within the City of Surprise GPA.

A

CITY OF SURPRISE SPECIAL PLANNING AREAS



SPA-1

The western and central regions of SPA-1 are generally bordered by Perryville Road to the west, Dysart Road to the east, Peoria Avenue to the south, the Beardsley Canal to the northwest, and Grand Avenue to the northeast. The eastern region of SPA-1 generally extends east of Dysart Road and north of Greenway Road to Bell Road. This area includes the original town site, an area between the original town site and Sun City Phase II further east, and an area north of Bell Road between Sun City Phase II and Sun City West.

SPA-2

SPA-2 exists north and northwest of SPA-1 and the Beardsley Canal, and north of Grand Avenue. SPA-2 roughly extends easterly to the Litchfield Road alignment, and is bound to the north and northwest by the Central Arizona Project (CAP) canal and the City of Peoria.

SPA-3

SPA-3 exists west and northwest of SPA-1 and the Beardsley Canal, extending west to 255th Avenue and the City of Buckeye. SPA-3 is bordered to the south by Peoria Avenue and the White Tank Mountain Regional Park, to the northeast by Grand Avenue, and to the northwest by the CAP canal.

SPA-4

SPA-4 exists north and northwest of SPA-2 and the CAP canal and north of Grand Avenue. SPA-4 is bordered to the north by State Road 74 and extends west to roughly the intersection of State Road 74 and Grand Avenue.

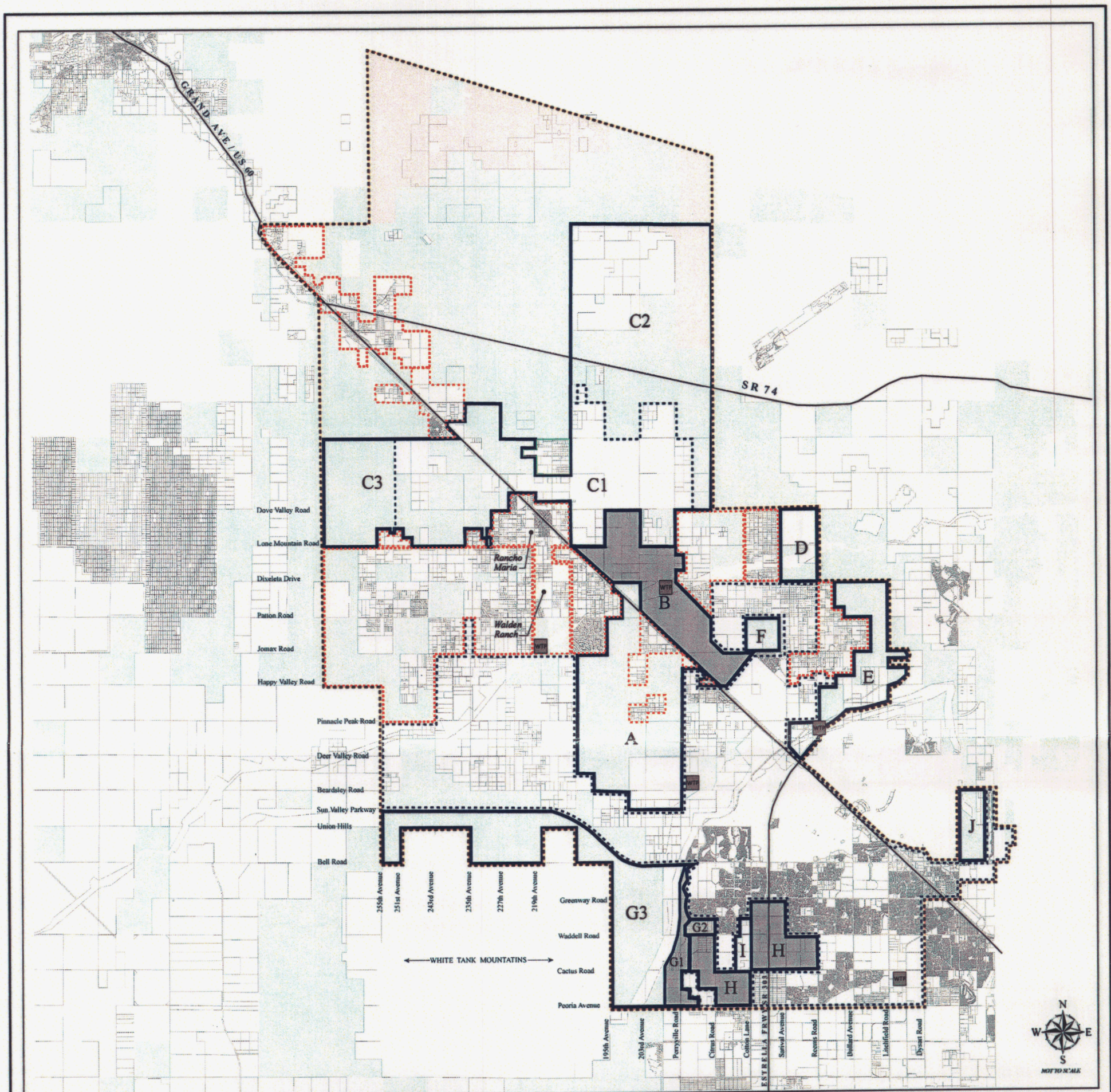
SPA-5

SPA-5 exists north and northwest of SPA-3 and the CAP canal, and south of SPA-4 and Grand Avenue. SPA-5 extends further west than SPA-3 to 275th Avenue north of Happy Valley Road to roughly to the intersection of State Road 74 and Grand Avenue. Current city boundaries extends roughly north to Jomax Road.

SPA-6

SPA-6 exists north of SPA-4 and State Road 74 and extends north to the fringe of Maricopa County.

B



CITY OF SURPRISE TENTATIVE ANNEXATION MAP

LEGEND

- State Lands
- Bureau of Land Management
- Annexations in Progress
- Short Term Research Area
- Long Term Research Area
- Incorporated Area
- General Planning Area
- WTP Wastewater Treatment Plant



Note: Letters designate annexation areas shown on the above map.

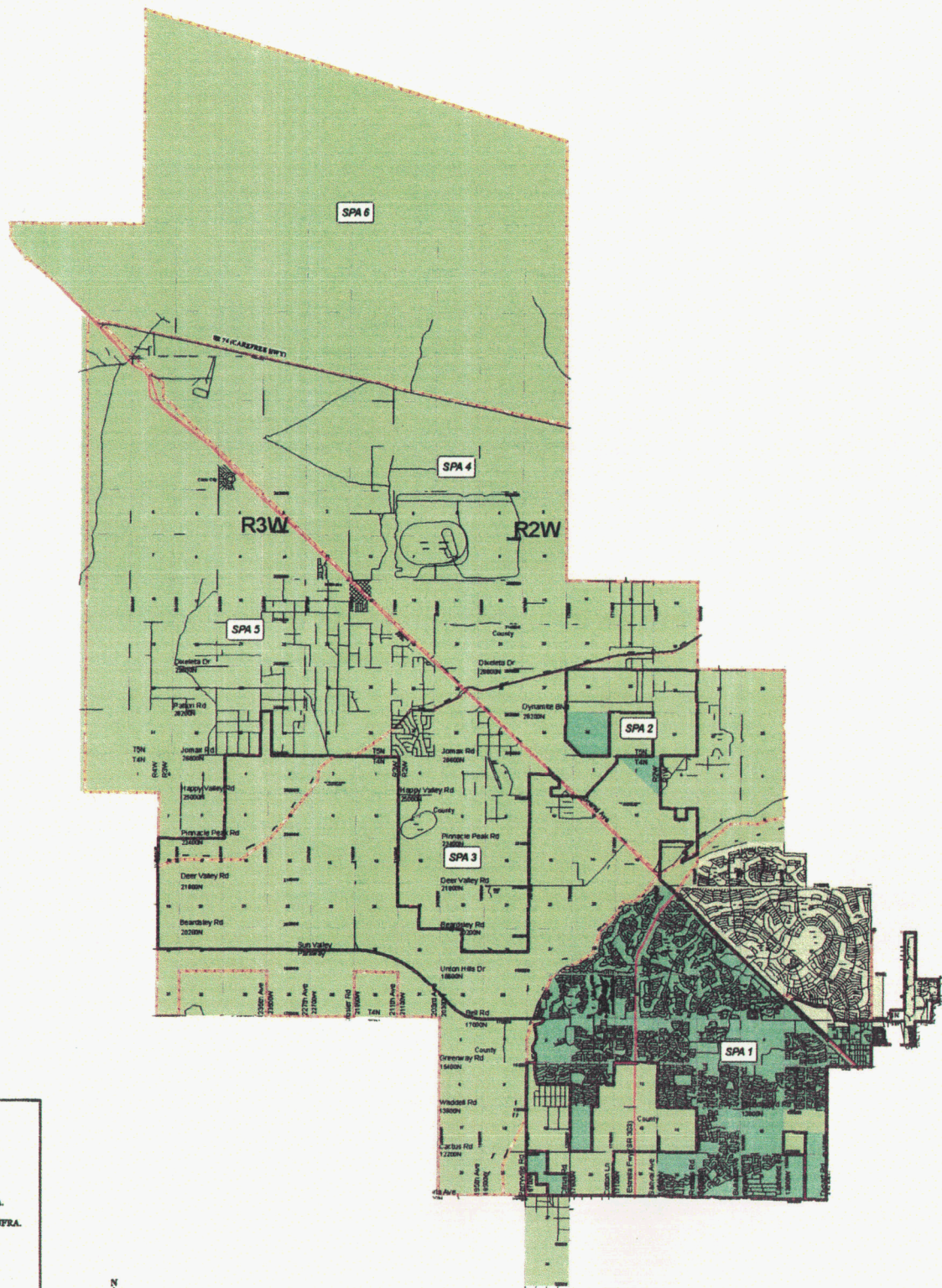
Area	Annexation Projects
A	Volvo Proving Grounds, Northwest Regional Landfill
B	Asante North, Sunhaven Ranch
C1	Chrysler Proving Grounds, Wittman Ranch, Broadstone Ranch, BNSF, Grand Oasis, Nelson 160
C2	LakePleasant 5000
C3	State Lands
D	Marisol Ranch
E	Rancho Mercado
F	Sunrise Ranch
G1	Zanjero Trails
G2	Waddell Haciendas
G3	State Lands
H	Prasada
I	County Island Infill
J	River Bottom

3/24/06

C



Sewer Providers for City of Surprise General Planning Area



LEGEND

SEWER PROVIDERS

- ARIZONA AMERICAN
- SURPRISE SSA - EXIST. INFRA.
- SURPRISE MPA - NO EXIST. INFRA.

Special Planning Areas

Surprise Corporate Limits

LOCAL ROADS

HIGHWAYS

Township - Range - Section

PLAT 545-17-120-00

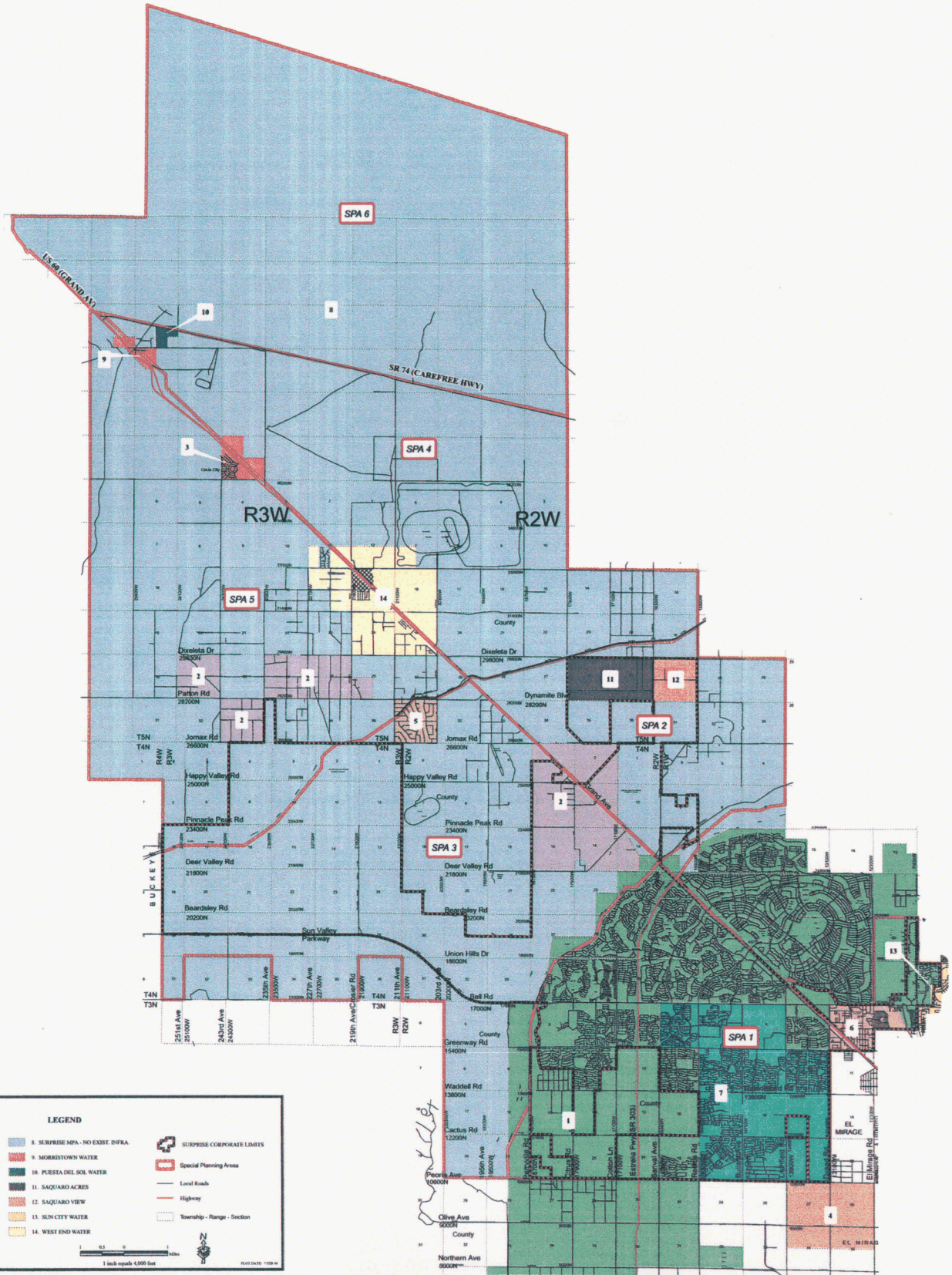


For additional information contact the city of Surprise Water Services Dept. at 623-875-4290.
NOTE: The City of Surprise makes no claims concerning the accuracy of the data provided nor assumes any liability resulting from the use of the information here-in.

D



WATER PROVIDERS in the CITY of SURPRISE GENERAL PLAN AREA



For additional information contact the city of Surprise Water Services Dept. at 623-875-4290.
NOTE: The City of Surprise makes no claims concerning the accuracy of the data provided nor assumes any liability resulting from the use of the information herein.